

BILL ANALYSIS

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Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Eng	AB 1899

SUBJECT

State Agencies Post Specified Audits And Contracts To The Reporting Transparency In Government Internet Website

SUMMARY

This bill would codify Executive Orders S-08-09 and S-20-09, which require state agencies to post various reports to the Reporting Transparency in Government Website.

PURPOSE OF BILL

The legislative intent language of this bill indicates the purpose is to continue the Legislature's commitment to promoting transparency in state government.

EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2011. The operative dates of the various provisions are different and will be discussed separately in this analysis.

ANALYSIS

STATE LAW

Executive Order S-08-09 orders state agencies and departments to post to the Reporting Transparency in Government Website audits of operations performed by outside entities dating back to January 1, 2008. Additionally, agencies must post financial and programmatic audits that they and other departments have done on their own operations and audits they have performed on other governmental entities dating back to January 1, 2008.

Executive Order S-20-09 requires posting to the Reporting Transparency in Government Website for the following items:

- Program reviews
- Monitoring and accountability reports
- Evaluations
- Inspections
- Assessments and studies of operations

Documents are to be posted within five working days of finalization.

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Existing state law prohibits the disclosure of any taxpayer information, except as specifically authorized by statute. Generally, disclosure is authorized to other state tax agencies, federal tax agencies, and the Multistate Tax Commission solely for tax administration purposes. Additionally, the Franchise Tax Board is authorized to publish statistical data related to taxpayer information so long as no individually identifiable information is revealed. Unauthorized disclosure of state tax information is a misdemeanor and unauthorized disclosure of federal tax information is a felony.

Each state agency is responsible for its own services acquisitions program. This responsibility includes ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, writing the contract in a manner that safeguards the state's interests, and obtaining required approvals. State agencies use contracts, purchase orders, interagency agreements, and memorandums of understanding to implement services acquisition programs.

THIS BILL

This bill would require a state agency to post to the State's Reporting Transparency in Government Website the following:

1. By February 15, 2010, operations audits, as defined, conducted by the agency itself or another agency finalized between January 1, 2008, and December 31, 2010, shall be posted. For reports finalized on or after January 1, 2011, posting must be done within 15 calendar days of finalization.
2. Effective January 1, 2011, the Department of General Services (DGS) and the Office of the State Chief Information Officer (CIO) will post any contract awarded by the state between January 1, 2008, and December 31, 2010, valued at \$5,000 or more.
3. Within 15 calendar day of signing by all parties to the contract, a state agency must post any contract it awarded on or after January 1, 2011, valued at \$5,000 or more, within 15 calendar days of signing by all parties to the contract.

The DGS and the CIO will assist a state agency to comply with these requirements.

Certain constitutional officers are exempt if that officer posts the required information to his or her official Internet Website.

LEGISLATIVE HISTORY

AB 1194 (Strickland, 2009/2010) would have required a state agency to develop a publicly accessible Website containing specified information detailing expenditures by that agency of state funds. This bill would have required the Website to be available by July, 2010, and be updated monthly. This bill failed to pass out of the Assembly Business and Professions committee by the constitutional deadline.

SB 502 (Walters, 2009/2010) would have required a state agency to develop a publicly accessible Website containing specified information detailing expenditures by that agency of state funds. This bill would have required the Web site to be available January 1, 2010, and updated annually. This bill failed to pass out of the Senate Governmental Organization committee by the constitutional deadline.

SB 719 (Huff, et al., 2009/2010) would have required a state agency to develop a publicly accessible Website containing specified information detailing expenditures by that agency of state funds. This bill failed to pass out of the Senate Appropriations committee by the constitutional deadline.

SB 1494 (McClintock, 2007/2008) would have required a state agency to develop a publicly accessible Website containing specified information detailing expenditures by that agency of state funds. This bill would have required the Website to be available by July 1, 2009, and be updated annually. This bill failed to pass out of the Senate Appropriations committee by the constitutional deadline.

PROGRAM BACKGROUND

The e-Procurement system is a centralized database of information on state contracts and purchases over \$5,000. This database is available on the California Department of General Services Website, and the State's Reporting Transparency in Government Web site. Each state agency is required to report its contracts to DGS. The public can download information on the procurement expenditures of each state department and agency.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This bill would not impact state income tax revenues.

Appointments

None.

Support/Opposition

The Senate committee analysis lists the following in support and opposition:

Support: Service Employees International Union (SEIU) Local 1000, Californians Aware California Labor Federation, California Newspaper Publishers Association

Opposition: None on file.

VOTES

Assembly Floor – Ayes: 49, Noes: 27

Senate Floor – Ayes: 23, Noes: 12

Concurrence – Ayes: 53, Noes: 24

LEGISLATIVE STAFF CONTACT

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